

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 EUR-12 /100 W
-----054698 260151Z /70

R 251420Z AUG 77
FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC 5186
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY KINGSTON
AMEMBASSY PARAMARIBO
AMEMBASSY PORT OF SPAIN

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E.O. 11652: N/A
TAGS: EPAP, ELAB, GY
SUBJECT: STRIKE IN SUGAR INDUSTRY

REF: GEORGETOWN 1856

SUMMARY: A POLITICALLY MOTIVATED INDUSTRY-WIDE SUGAR STRIKE CALLED BY OPPOSITION-CONTROLLED UNION BEGAN AUGUST 24 AND THREATENS TO CRIPPLE THE SUGAR INDUSTRY AND WITH IT FURTHER DESTROY GUYANA'S CAPACITY TO EARN FOREIGN EXCHANGE. THE STRIKE FOLLOWS THE PEOPLE'S NATIONAL CONGRESS' (PNC) REJECTION OF CHEDDI JAGAN'S CALL FOR A NATIONAL FRONT GOVERNMENT, WHICH THE SOVIETS REPORTEDLY HAVE ENCOURAGE. (REFTEL). DUE TO THE ALREADY DISASTROUS STATE OF THE ECONOMY, PRIME MINISTER BURNHAM IS NOW VULNERABLE TO JAGAN'S PRESSURES. END SUMMARY.

1. FOLLOWING UPON A 72 HOUR STRIKE ULTIMATUM ISSUED AUGUST 20, THE GUYANA AGRICULTURAL WORKERS' UNION (GAWU) CALLED AN INDUSTRY-WIDE SUGAR STRIKE AUGUST 24. THE PUBLIC REASON
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FOR THE STRIKE IS A PROFIT-SHARING DISPUTE RANGING BACK TO 1975, BUT THE UNDERLYING MOTIVATION OF GAWU'S LEADERSHIP IS POLITICAL. GAWU IS THE LABOR ARM OF THE OPPOSITION PEOPLE'S PROGRESSIVE PARTY (PPP) LED BY CHEDDI JAGAN. HE, ENCOURAGED BY HIS SOVIET BACKERS, HAS BEEN PRESSING FOR "POWER-SHARING" IN THE GOVERNMENT.

2. IMMEDIATELY BEFORE THE PNC'S BIENNIAL CONGRESS JAGAN CALLED FOR A "NATIONAL FRONT" GOVERNMENT. ALTHOUGH, GIVEN THE STATE OF PPP-PNC RELATIONS RECENTLY, JAGAN COULD NOT HAVE EXPECTED THE PNC LEADERSHIP TO RESPOND AFFIRMATIVELY TO HIS CALL, HE UNDOUBTEDLY HOPED TO APPLY LEFTWARD PRESSURE ON PRIME MINISTER BURNHAM DURING THE CONGRESS AND APPEAL TO THE PNC'S LEFT WING. BURNHAM SHARPLY REJECTED THE UNITY CALL IN HIS SPEECH AT THE OPENING OF THE CONGRESS ON AUGUST 13, BUT HIS CONDUCT AT THE CONGRESS OTHERWISE REFLECTED HIS WARINESS ABOUT OPENING HIMSELF TO ATTACKS FROM THE LEFT.

3. THE CHAIRMAN OF GUYSUCO HAS TOLD THE CHARGE THAT THE ENTIRE INDUSTRY WAS SHUT DOWN TODAY (AUGUST 24) WITH THE EXCEPTION OF A MILL ON ONE ESTATE WHICH HAS BEEN ABLE TO CONTINUE GRINDING OF CANE.

4. THE FACT THAT THE SOVIET EMBASSY HERE HAS ENCOURAGED THE PPP TO SEEK A "NATIONAL FRONT" GOVERNMENT AND THE PNC TO "SHARE POWER" WITH JAGAN IS NO SECRET. IMMEDIATELY AFTER JAGAN ISSUED HIS CALL FOR UNITY, VALERIE KOVAL (THE TOP INTELLIGENCE MAN AT THE SOVIET EMBASSY) TOLD AN EMBASSY SOURCE THAT "IF THE GOVERNMENT DOES NOT ACCEPT THE PROPOSAL FOR A POLITICAL SOLUTION, THE GOVERNMENT MUST LOOK OUT FOR INDUSTRIAL TROUBLES IN PLACES LIKE THE SUGAR INDUSTRY," THUS REVEALING AT LEAST THAT HE WAS LIMITED OFFICIAL USE

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PRIVY TO JAGAN'S PLANS.

5. COMMENT: THAT THE SUGAR STRIKE IS POLITICALLY MOTIVATED IS CLEAR. IT IS JAGAN'S RESPONSE TO BURNHAM'S PUBLIC REJECTION OF THE NATIONAL FRONT IDEA. BY CALLING FOR NATIONAL UNITY, JAGAN'S INTENTION WAS TO PLACE STRAIN ON THE PNC DURING ITS CONGRESS. THE STRIKE ALSO WILL EXERT INTENSE PRESSURE ON THE GOVERNMENT AS IT STRUGGLES TO COPE WITH IT. A PROLONGED SUGAR STRIKE IN THE MIDST OF THE EXISTING ECONOMIC CRISIS COULD BE POLITICALLY AND ECONOMICALLY DISASTROUS FOR THE GOG. BLACKEN

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: SUGAR, INDUSTRY, LABOR STRIKES
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GEORGE02013
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Executive Order: N/A
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